

**U.S. Senate**  
**Republican Policy**  
**Committee**

Larry E. Craig, Chairman  
Jade West, Staff Director

No. 28

# Legislative Notice

Editor, Judy Gorman Prinkey

July 17, 1997

## **S. 1023 – Treasury, Postal Service, and General Government Appropriation Bill, FY 1998**

Calendar No. 112

Reported from the Senate Appropriations Committee on July 16, 1997, with amendments, by a vote of 28-0. S. Rept. 105-49.

### **NOTEWORTHY**

- S. 1023, an original Senate bill, provides \$25.21 billion in new budget authority for the Department of the Treasury, Postal Service, Executive Office of the President and various independent agencies for FY98. This amount is \$1.1 billion above the FY97-enacted amount, and \$455.9 million below the budget request. [See attached chart.]
- The Senate bill includes \$6.2 billion for law enforcement programs, including violent crime reduction programs; the Federal Law Enforcement Training Center; Customs Service; Bureau of Alcohol, Tobacco and Firearms; Secret Service; IRS tax law enforcement and financial crimes.
- The Committee provides \$110 million for a new initiative to combat illegal drugs.
- The bill imposes a one-year moratorium on new construction projects by the General Services Administration.
- The bill is silent on the issue of abortion coverage in federal employees' healthcare plans.

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## HIGHLIGHTS

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### Title I, Department of the Treasury

- **Violent Crime Control and Law Enforcement Funding:** The Committee provides \$131 million for Treasury enforcement of violent crime control and law enforcement activities, which is \$34 million more than FY97, and \$13 million more than requested. Included in this funding is \$34.0 million for BATF anti-gang programs, \$44.6 million for the U.S. Customs Service to increase border security, and \$21.2 million for the U.S. Secret Service. Also, \$64.7 million is provided for the Federal Law Enforcement Training Center.
- **Bureau of Alcohol, Tobacco and Firearms (BATF):** The Committee appropriates \$472.5 million for salaries and expenses (\$24.5 million below the request). In addition, the Committee provides the requested \$55 million for construction of a new national laboratory and fire investigation, research, and development center.
- **Customs Service:** The Committee provides \$1.6 billion for salaries and expenses of the U.S. Customs Service (\$16 million less than the budget request). For anti-drug efforts on the southwest border, the bill includes the administration request of \$76.6 million, of which \$38.2 million is in this account for infrastructure initiatives and \$33.4 million is in the violent crime trust fund appropriation for operational initiatives.
- **Internal Revenue Service:** The Committee appropriates a total of \$7.7 billion for the Internal Revenue Service (which is \$651 million above FY97, and \$175 million less than the request). The Committee concurs with the budget request to provide an increase of \$1.2 billion over last year for processing tax returns (for a total of \$2.9 billion). Also, the Committee provides the requested amount of \$3.2 billion for tax law enforcement, and \$1.3 billion for information systems. While the Committee denies the request for \$500 million for future computer systems modernization efforts, it does provide an additional \$325 million for the acquisition of information technology systems as they relate to the year 2000 century date change.

The FY 1998 budget request realigned the budget structure moving several compliance-related functions from the "Tax law enforcement" appropriation to the "Processing, assistance, and management" appropriation and established a new category for telephone and correspondence program. This is consistent with the Government Performance and Results Act requirements. The Committee remains concerned about the ability to identify costs associated with both customer service and compliance as defined in the FY 1997 structure. In order to be completely aware of these costs, the Committee directs the IRS to provide a compliance of breakout of costs associated with customer service and

compliance activities and to institute procedures to track these costs based on the FY 1997 definitions, under the new structure.

- **U.S. Secret Service:** The Committee appropriates \$570.8 million for salaries and expenses, an increase of \$39.5 million over last year. The Committee has provided \$6.6 million for continued White House security enhancements, \$1.6 million for fixed site and security maintenance, \$2.8 million for LAN replacement, \$1 million for year 2000 date conversion, \$6.1 million for FLEWUG/SNET, and \$6.7 million for vehicle replacement. The Committee has agreed to the request to transfer \$5 million for anticounterfeiting from the violent crime reduction trust fund to this account.

## **Title II, U.S. Postal Service**

- **Payments to the Postal Service Fund:** Total appropriations under Title II, Postal Service, consist of the payment to the Postal Service Fund, and payment to the Postal Service Fund for Nonfunded Liabilities. Total amount for title II is \$121.1 million, which is \$4.9 million below last year's amount.
- The bill provides \$86.3 million for FY98 for the first account, an amount which is the same as the budget request, and \$4.2 million below the FY97 amount (counting the supplemental funding contained in P.L. 105-18). Of this amount, \$57.3 million is for free mail for the blind and for overseas voters, and the remaining \$29 million is for the reimbursement to the Postal Service for subsidies provided for the revenue forgone program. The committee includes a provision that none of the funds provided be used to consolidate or close small rural and other small post offices in FY98.
- For nonfunded liabilities, the Committee provides \$34.85 million, the same as the request, and \$686,000 below last year.

## **Title III, Executive Office of the President**

- **Total Funding for Title III:** The Committee recommends \$485.2 million, an amount which is \$61.9 million higher than last year, and \$30.7 million below the request. The Committee provides the requested amount for each of the accounts funded under this title, excepting the Special Forfeiture Fund, and an account labeled "Unanticipated Needs." Regarding the latter, \$1 million was requested, none was provided and none provided last year.
- **Special Forfeiture Fund:** The requested amount was \$175 million and the Committee provided \$145.3 million, compared to \$112.9 million last year. This fund was established by the Anti-Drug Abuse Act of 1988, to be administered by the Director of the Office of National Drug Control Policy. Of the funds provided, \$110 million is for a

national media campaign to reduce and prevent drug use among young Americans, \$10 million shall be to initiate a program of matching grants to drug-free communities, as authorized by the Drug-Free Communities Act of 1987, \$10 million is to continue and expand the methamphetamine reduction efforts, \$6 million is for the establishment of a Federal drug-free prison demonstration project, and \$9.3 million is to continue to support the reduction of drug use of those involved in the criminal justice system.

- **Computer Modernization:** The Committee included the President's request for automation enhancements, but fenced funding requests over \$50,000 pending the submission and approval of a systems architecture, milestone schedule, and estimate of funds required.
- **Office of National Drug Control Policy:** The Committee provides \$36.0 million for this Office, meeting the request, and increasing last year's appropriation by \$178,000.
- **Federal Drug Control Programs:** The Committee provides \$140.2 million (equal to the request and \$13.1 million above last year) for High-Intensity Drug Trafficking Areas (HIDTA's). Of this total, not less than \$71 million is provided specifically for assistance to State and local drug control agencies in the 15 HIDTA's: New York, Miami, Houston, Los Angeles, Baltimore-Washington metropolitan area, Puerto Rico-Virgin Islands, the Southwest border, Chicago, Atlanta, Philadelphia-Camden, the gulf coast, Lake County, IN, the Midwest (Iowa, Kansas, Missouri, Nebraska, South Dakota), the Pacific Northwest (Washington Cascades), and the Rocky Mountain region (Colorado, Utah, Wyoming). Also the Committee has provided an additional \$3 million for the HIDTA's in the violent crime trust fund.

## **Title IV, Independent Agencies**

- **General Services Administration:** The Committee appropriates a total of \$140.6 million, which is \$406.2 million below last year. This amount is \$84 million below the request. The appropriation includes no funding for the Construction and Acquisition account for the Federal Buildings Fund, and the report states the recommendation that no revenues coming into the Federal building fund be used for new construction or acquisition in FY98, but rather to fund previously authorized projects.
- **Office of Personnel Management:** The Committee provides a total of \$12.79 billion (the same as requested) for OPM, the bulk of which is for the government payment for annuitants, employees health benefits (\$4.33 billion) and for payment to the civil service retirement and disability fund (\$8.33 billion). The amount provided is \$623 million higher than last year's with the increases mostly coming from the two aforementioned accounts. Also included in this total is \$85.4 million for salaries and expenses, which is equal to the budget request and \$1.9 million below last year's amount.

## **General Provisions**

The bill contains a number of general provisions that have been carried in the bill in prior years (Committee report, pages 74-78) as well as new provisions added by the Committee.

- The Committee includes a provision to repeal Section 1555 of the Federal Acquisition Streamlining Act which provides state and local governments with the ability to purchase goods and services from the federal supply schedule managed by the General Services Administration. Due to problems with the provision, Congress mandated a moratorium on its implementation. The Committee believes that section 1555 is likely to result in increased costs to the Federal Government and recommends that the section be repealed.

## **Government Performance and Results Act**

"The Government Performance and Results Act of 1993, commonly called GPRA, was enacted to improve management of federal agencies by requiring an emphasis on planning and results. Future funding decisions will be based upon an agency's ability to meet the goals outlined in the strategic plan submitted the previous year.

"Draft strategic plans must be submitted to the Office of Management and Budget by August 15, 1997. . . . However, federal agencies were required to consult with Congress and other stakeholders on their draft strategic plans and incorporate suggestions or concerns in the plan submitted to OMB.

"The Committee is encouraged that Federal agencies are trying to fulfill the requirement of GPRA. Some agencies have been more successful than others. For example, the U.S. Mint did an exemplary job . . . . The Committee was also impressed with the strategic plan submitted by the Federal Labor Relations Authority, whose approach could be used as an example to other small agencies.

"On the other hand, some of the plans reviewed did not live up to expectation and, unfortunately, the Financial Crimes Enforcement Network within the Department of the Treasury has not yet submitted a draft plan. The Committee strongly encourages agencies to continue to refine their strategic plans so that the fiscal year 1999 budget submission is accompanied by a plan which is both complete and clearly articulated. Further, the Committee strongly encourages agencies to ensure that the fiscal year 1999 budget submission displays amounts requested against program activity structure for which annual performance goals and indicators have been established." [Committee Report, p. 4]

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## **COST**

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CBO estimates that the bill would result in new outlays of \$22.3 billion in FY 1998, \$1.6 billion in FY 1999, \$604 million in FY 2000, \$346 million in FY 2001, and \$167 million in FY 2001 and beyond.

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## **ADMINISTRATION POSITION**

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At press time, no State of Administration Policy on the bill as reported to the Senate was available.

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## **POSSIBLE AMENDMENTS**

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At press time, a list of amendments was not available. However, an amendment is expected to be offered to prohibit the cost-of-living increase for members' pay.

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Staff Contact: Judy Myers, 224-2946

[Chart attached.]

# S. 1023, Treasury and General Government Appropriation Bill, 1998

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1998

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
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				1997 appropriation	Budget estimate
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TITLE I--DEPARTMENT OF THE TREASURY					
Departmental Offices.....	\$ 112,048,000	\$ 116,314,000	\$ 114,794,000	\$ +2,746,000	\$ -1,520,000
TOTAL, Violent Crime Reduction Programs.....	97,000,000	118,178,000	130,955,000	+33,955,000	+12,777,000
TOTAL, Federal Law Enforcement Training Center.....	77,769,000	76,774,000	78,593,000	+824,000	+1,819,000
TOTAL, Bureau of Alcohol, Tobacco and Firearms.....	467,372,000	551,976,000	527,512,000	+60,140,000	-24,464,000
TOTAL, United States Customs Service.....	1,638,354,000	1,670,096,000	1,649,192,000	+10,838,000	-20,904,000
Bureau of the Public Debt.....	165,335,000	169,426,000	169,426,000	+4,091,000	.....
TOTAL, Internal Revenue Service.....	7,043,127,000	7,869,383,000	7,694,383,000	+651,256,000	-175,000,000
TOTAL, United States Secret Service.....	561,053,000	585,147,000	579,985,000	+18,932,000	-5,162,000
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Total, title I, Department of the Treasury.....	10,494,496,000	11,662,985,000	11,315,801,000	+821,305,000	-347,184,000

## TITLE II--POSTAL SERVICE

### Payments to the Postal Service

Total, title II, Postal Service.....	125,999,000	121,124,000	121,124,000	-4,875,000	.....
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## TITLE III--EXECUTIVE OFFICE AND THE WHITE HOUSE OFFICE APPROPRIATED TO THE PRESIDENT

Compensation of the President and the White House Office: Salaries and Expenses.....	40,193,000	51,199,000	51,199,000	+11,006,000	.....
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Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Federal Drug Control Programs: High Intensity Drug Trafficking Areas Program.....	127,102,000	140,207,000	140,207,000	+13,105,000	.....
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Total, title III, Executive Office of the President And Funds Appropriated to the President.....	423,341,000	515,925,000	485,225,000	+61,884,000	-30,700,000
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TITLE IV--INDEPENDENT AGENCIES					
TOTAL, General Services Administration.....	546,760,000	224,607,000	140,565,000	-406,195,000	-84,042,000
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Total, title IV, Independent agencies.....	13,057,787,000	13,362,371,000	13,284,389,000	+226,602,000	-77,982,000
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Grand total:	24,101,623,000	25,662,405,000	25,206,539,000	+1,104,916,000	-455,866,000